

MV Capital Management, Inc.

Form ADV Part 2A

Brochure

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This brochure provides information about the qualifications and business practices of MV Capital Management, Inc. (“MVCM”). If you have any questions about the contents of this brochure, please contact us at (301) 656-6545. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about MVCM also is available on the SEC’s website at www.adviserinfo.sec.gov.

References herein to MVCM as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.

Item 2 Material Changes

Since the March 29, 2019 annual update filing, this ADV Part 2A Brochure has been materially amended as follows:

- Item 1 as of August 1, 2019 MV Capital Management Inc. moved the physical location of its office.
- Item 8 has been updated to expound upon and clarify MVCM’s methods of analysis, investment strategies, and associated risks.
- Item 12 now reflects that MVCM no longer participates in a “Soft-Dollar Arrangement” as described by Section 28(e) of the Securities Exchange Act of 1934.

There have been no other material changes to this ADV Part 2A Brochure since that time.

Item 3 Table of Contents

Item 1	Cover Page.....	1
Item 2	Material Changes.....	2
Item 3	Table of Contents.....	2
Item 4	Advisory Business	3
Item 5	Fees and Compensation	7
Item 6	Performance-Based Fees and Side-by-Side Management	8
Item 7	Types of Clients.....	8
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss.....	9
Item 9	Disciplinary Information	12
Item 10	Other Financial Industry Activities and Affiliations	12
Item 11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	12
Item 12	Brokerage Practices	13
Item 13	Review of Accounts.....	15
Item 14	Client Referrals and Other Compensation.....	15
Item 15	Custody.....	16
Item 16	Investment Discretion.....	16
Item 17	Voting Client Securities.....	16
Item 18	Financial Information	17
	Privacy Notice.....	18

Item 4 Advisory Business

- A. MV Capital Management Inc. (“MVCM”) is a Maryland corporation. Masood Vojdani is the sole owner of MVCM and has over 30 years of experience in the financial industry.

At MVCM our mission is to provide unparalleled service, uncommon thinking and uncompromising standards in delivering investment management strategies and solutions tailored to the unique circumstances of each and every client.

- A **client service** approach that focuses on the specific, unique needs of each client and develops an investment policy customized to the client’s return objectives, risk tolerance and special circumstances.
 - An in-house **research and development** practice aimed at distilling the complexities of the modern global capital marketplace into innovative, practical investment strategies and solutions.
 - An **independent** advisory and execution platform from which to offer advice where our financial success is aligned with our clients.
- B. As discussed below, MVCM offers to its clients investment advisory services, and, to the extent specifically requested by a client, financial planning and related consulting services.

INVESTMENT ADVISORY SERVICES

Clients can engage MVCM to provide discretionary or non-discretionary investment advisory services on a wrap or non-wrap fee basis. If a client determines to engage MVCM on a wrap fee basis the client will pay a single fee for bundled services (i.e. investment advisory, brokerage, custody). The services included in a wrap fee agreement will depend upon each client’s particular need. If the client determines to engage MVCM on a non-wrap fee basis the client will select individual services on an unbundled basis, paying for each service separately (i.e. investment advisory, brokerage, custody).

MVCM’s annual investment advisory fee shall include investment advisory services, and, to the extent requested by the client, financial planning and consulting services. In the event that the client requires extraordinary planning or consulting services (to be determined in the sole discretion of MVCM), MVCM can charge for these additional services, the dollar amount of which will be provided in a separate written notice to the client.

NON-WRAP FEE BASIS

Clients can engage MVCM to provide discretionary or non-discretionary investment advisory services. Generally, MVCM’s annual investment advisory fee is based upon a percentage (%) of the market value of the assets placed under MVCM’s management.

MVCM PORTFOLIO MANAGER PROGRAM

MVCM may provide investment management services on a wrap fee basis in accordance with MVCM’s Portfolio Manager Program (the “Program”). The terms and conditions for the Program are discussed in the Wrap Fee Program Brochure—a copy of which is presented to all prospective Program participants. Under the Program, MVCM is able to offer participants discretionary investment management services, for a single specified annual Program fee, which includes trade execution, custody, reporting, and investment management fees. All prospective Program participants should read MVCM’s Wrap Fee

Program Brochure, and ask any questions that they may have, prior to participating in the Program. Fidelity Investments, LLC and/or its affiliates (“Fidelity”) serves as the custodian for Program accounts. Participation in the Program may cost more or less than purchasing these services separately. The Program fee charged by MVCMM for participating in the Program may be higher or lower than fees charged by other sponsors of comparable wrap fee programs.

FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)

To the extent requested by a client, MVCMM may provide financial planning or consulting services (on investment and non-investment related matters, including estate planning and insurance planning) on a stand-alone separate fee basis. Prior to engaging MVCMM to provide planning or consulting services, clients are generally required to enter into a Financial Planning and Consulting Agreement with MVCMM setting forth the terms and conditions of the engagement.

MISCELLANEOUS ADVISORY SERVICES DISCLOSURE

Limitations of Financial Planning and Non-Investment Consulting/Implementation Services. If requested by the client, MVCMM may provide financial planning and related consulting services regarding non-investment related matters, such as estate, tax and insurance planning either as part of the investment advisory engagement or according to the terms and conditions of a stand-alone Financial Planning and Consulting Agreement. Neither MVCMM, nor any of its representatives, serves as an attorney or accountant and no portion of MVCMM’s services should be construed as legal or accounting services. Unless specifically agreed in writing, neither MVCMM nor its representatives are responsible to: implement any financial plans or financial planning advice; provide ongoing financial planning services; or provide ongoing monitoring of financial plans or financial planning advice. The client is solely responsible to revisit the financial plan or financial planning advice with MVCMM, if desired. The client retains absolute discretion over all financial planning and related implementation decisions and is free to accept or reject any recommendation from MVCMM and its representatives in that respect. MVCMM’s financial planning and consulting services are completed upon communicating its recommendations to the client, upon delivery of the written financial plan, or upon termination of the applicable agreement. To the extent requested by a client, MVCMM may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.), including certain of MVCMM’s investment adviser representatives in their separate licensed capacities as discussed in Item 10.C. below. This presents conflicts of interest. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from MVCMM. If the client engages any unaffiliated recommended professional, and a dispute arises related to the engagement, the client should seek recourse exclusively from and against the engaged professional.

Non-Discretionary Service Limitations. Clients that determine to engage MVCMM on a non-discretionary investment advisory basis must be willing to accept that MVCMM cannot effect any account transactions without obtaining the client’s consent. A client may suffer investment losses or miss potential investment gains should MVCMM be unable to reach the client or if the client does not act on our recommendations for transactions where we do not have discretion.

Retirement Rollovers. A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If MVCVM recommends that a client roll over their retirement plan assets into an account to be managed by MVCVM, such a recommendation creates a conflict of interest if MVCVM will earn an advisory fee on the rolled over assets. **No client is under any obligation to roll over retirement plan assets to an account managed by MVCVM. MVCVM's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the conflict of interest presented by rollover recommendations.**

Independent Managers. MVCVM may invest or recommend that the client invest using unaffiliated independent investment managers ("Independent Managers") in accordance with the client's designated investment objectives. In these situations, the Independent Manager has the day-to-day responsibility for the active discretionary management of the client's assets. MVCVM will continue monitor and review the client's account performance, asset allocation and investment objectives. Factors that MVCVM considers in recommending Independent Managers include the client's designated investment objectives, and the manager's management style, performance, reputation, financial strength, reporting capabilities, pricing structure, and published research. Clients who engage MVCVM through the Program do not incur additional fees to MVCVM or the Independent Managers to compensate for the Independent Managers' services. For clients who engage MVCVM on a non-wrap basis, the investment management fees charged by the designated Independent Managers are exclusive of, and in addition to, MVCVM's ongoing investment advisory fee described in Item 5, which will be disclosed to the client before entering into the Independent Manager engagement and/or subject to the terms and conditions of a separate agreement between the client and the Independent Managers.

Single Strategy Program. MVCVM may also recommend that clients invest in one or more investment strategies offered in the Single Strategy Program ("SSP") consistent with the client's investment objectives and risk profile. Assets using a strategy in the SSP will be managed in a separate account from all other assets and strategies. Although the strategies used may be considered part of a client's overall portfolio allocation, each strategy in the SSP is independently managed based on proprietary guidelines developed and implemented by MVCVM.

Client Obligations. MVCVM will not be required to verify any information received from the client or from the client's other professionals and is expressly authorized to rely on the information in its possession. Clients are responsible for promptly notifying MVCVM if there is ever any change in their financial situation or investment objectives so that MVCVM can review, and if necessary, revise its previous recommendations or services.

Portfolio Trading Activity. As part of its investment advisory services, MVCVM will review client portfolios on an ongoing basis to determine if any trades are necessary based upon various factors, including but not limited to investment performance, fund manager tenure, style drift, account additions/withdrawals, the client's financial circumstances, and changes in the client's investment objectives. Based upon these and other factors, there may be extended periods of time when MVCVM determines that trades within a client's

portfolio are neither necessary nor prudent. Clients nonetheless remain subject to the fees described in Item 5 during periods of portfolio trading inactivity.

- C. MVCVM shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will determine each client's investment objectives. Thereafter, MVCVM will invest or recommend that the client invest their assets consistent with their investment objectives. Please see Item 8 for details regarding investment selection. The client may, at any time, impose reasonable restrictions, in writing, on MVCVM's services.
- D. There is no significant difference between how MVCVM manages wrap fee accounts and non-wrap fee accounts. However, as stated above, if a client determines to engage MVCVM on a wrap fee basis the client will pay a single fee for bundled services (i.e. investment advisory, brokerage, custody). The services included in a wrap fee agreement will depend upon each client's particular need. If the client determines to engage MVCVM on a non-wrap fee basis the client will select individual services on an unbundled basis, paying for each service separately (i.e. investment advisory, brokerage, custody). Because wrap program transaction fees and/or commissions are being paid by MVCVM to the account broker-dealer/custodian, MVCVM could have an economic incentive to minimize the number of trades in the client's account or purchase funds that do not incur transaction fees to maximize its own compensation, which presents conflicts of interest. In addition, MVCVM may not incur transaction costs for Program clients on certain exchange traded funds ("ETFs"), and individual equities and ETFs with a transaction fee have a lower transaction cost if the client has agreed to electronic statement delivery from Fidelity. To help mitigate these conflicts of interest, MVCVM's trading activity and fund class selection on behalf of its clients is dictated by its clients' needs and anticipated market conditions, as opposed to transaction fee costs absorbed by MVCVM. Accordingly, when purchasing funds on clients' behalf, MVCVM generally endeavors to select the share classes with the lowest internal expense ratios. Also when MVCVM is managing a client's account on a wrap basis through the Program, it only purchases mutual funds that do not incur transaction fees if they are the only available share class at the time, or if they are the share class with the lowest available internal expense ratio at the time. Please refer to the Wrap Fee Program Brochure for more information. **MVCVM's Chief Compliance Officer, remains available to address any questions regarding a wrap fee arrangement and the corresponding conflicts of interest presented.**
- E. As of March 31, 2020, MVCVM had \$563,329,979 in assets under management on a discretionary basis and \$837,075 in assets under management on a non-discretionary basis.

Item 5 Fees and Compensation

A.

NON-WRAP FEE BASIS

If a client determines to engage MVCMM to provide discretionary or non-discretionary investment advisory services, MVCMM's annual investment advisory fee is based on a percentage (%) of the market value of the assets placed under MVCMM's management, to be charged quarterly in advance based on account valuation as of the last business day of the previous quarter on a tiered basis, as follows:

<u>Account Assets</u>	<u>Fees</u> <u>% of Assets</u>	<u>Incremental</u> <u>Maximum</u>	<u>Total</u> <u>Maximum</u>	<u>Minimum</u> <u>Fees</u>
First \$250,000	1.50%	\$3,750	\$3,750	\$0
Next \$500,000	1.00%	\$5,000	\$8,750	\$3,750
Next \$250,000	0.75%	\$1,875	\$10,625	\$8,750
Next \$2,000,000	0.65%	\$13,000	\$23,625	\$10,625
Next \$2,000,000	0.50%	\$10,000	\$33,625	\$23,625
Next \$5,000,000	0.40%	\$20,000	\$53,625	\$33,625
Over \$10 Million	To be individually assessed.			

MVCM generally requires an aggregate minimum account value of \$1,000,000 per household for investment advisory services. MVCMM's fee and minimum account requirements are negotiable in its discretion, depending upon objective and subjective factors including but not limited to the amount of assets to be managed; portfolio composition; the scope and complexity of the engagement; the anticipated number of meetings; future earning capacity; anticipated future additional assets; and negotiations with the client. Because of these factors, similarly situated clients could pay different fees, the services to be provided by MVCMM to any particular client could be available from other advisers at lower fees, and certain clients may have fees different than those specifically set forth above.

MVCM PORTFOLIO MANAGER PROGRAM

If a client engages MVCMM to provide investment management services on a wrap fee basis in accordance with MVCMM's Program, the terms and conditions of the Program are discussed in the Wrap Fee Program Brochure—a copy of which is presented to all prospective Program participants. Under the Program, MVCMM is able to offer participants discretionary investment management services, for a single specified annual Program fee, inclusive of trade execution, custody, reporting, and investment management fees. The current annual Program fee does not exceed 1.50%.

FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)

If requested by the client, MVCMM may provide consulting services regarding non-investment related matters, such as estate, tax and insurance planning on a stand-alone basis. MVCMM's planning and consulting fees are negotiable, but generally range from \$1,000 to \$20,000 on a fixed fee basis, and from \$175 to \$450 on an hourly rate basis, depending upon the level and scope of the services required and the professionals rendering the services. The exact amount of the fee will be included in a written agreement between MVCMM and the client.

- B. Clients may elect to have MVCVM's advisory fees deducted from their custodial account. Both MVCVM's Investment Advisory Agreement and the custodial/clearing agreement may authorize the custodian to debit the account for MVCVM's investment advisory fee and to directly remit that management fee to MVCVM in compliance with regulatory procedures. In the limited event that MVCVM bills the client directly, payment is due upon receipt of MVCVM's invoice.
- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, MVCVM shall generally recommend that Fidelity Investments, LLC and its affiliates ("Fidelity"), Charles Schwab & Co., Inc. and its affiliates ("Schwab"), or TD Ameritrade, Inc. and its affiliates ("TD Ameritrade") serve as the broker-dealer/custodian for client accounts. With respect to a non-wrap fee engagement, broker-dealers such as Fidelity charge brokerage commissions and/or transaction fees for effecting certain securities transactions according to their fee schedule. In addition, the Program's wrap fee does not include certain charges and administrative fees, including, but not limited to, transaction charges (including mark-ups and mark-downs) resulting from trades effected through or with a broker-dealer other than Fidelity, transfer taxes, odd lot differentials, exchange fees, interest charges, American Depository Receipt agency processing fees, and any charges, taxes or other fees mandated by any federal, state or other applicable law or otherwise agreed to with regard to client accounts. Such fees and expenses are in addition to the Program's wrap fee. For mutual fund and ETF purchases, clients who engage MVCVM on either a wrap or non-wrap basis will incur charges imposed by the respective fund, which represent the client's pro rata share of the fund's management fee and other fund expenses. These fees and expenses are described in each fund's prospectus or other offering documents. MVCVM does not share in those funds or expenses.
- D. MVCVM's annual investment advisory fee will be prorated and paid quarterly, in advance, based upon the value of the client's accounts on the last business day of the previous quarter. The Investment Advisory Agreement between MVCVM and the client will continue in effect until terminated by either party by written notice in accordance with its terms. Upon termination, MVCVM shall refund the pro-rated portion of the advanced advisory fee paid based upon the number of days remaining in the billing quarter.
- E. **Securities Commission Transactions.** Neither MVCVM, nor its representatives accept compensation from the sale of securities. However, please refer to Item 10.C. below with respect to MVCVM's affiliated insurance agency.

Item 6 Performance-Based Fees and Side-by-Side Management

Neither MVCVM nor any supervised person of MVCVM accepts performance-based fees.

Item 7 Types of Clients

MVCVM's clients generally include high net worth individuals, individuals, pension and profit sharing plans, business entities, trusts, estates, and charitable organizations. MVCVM generally requires an aggregate minimum account value of \$1,000,000 per household for investment advisory services, subject to the conditions in Item 5.A. above.

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

- A. MVCMM's investment strategy is premised on delivering results in alignment with the long-term objectives, risk considerations and specific circumstances germane to each client. Conditions in the capital marketplace are continuously evolving, and from time to time we will re-evaluate our approach in light of empirical evidence from the market. In principle, however, our analysis and decision process consistently revolves around the core activities of asset allocation, security selection and ongoing monitoring and rebalancing. With regard to each component of this overall investment strategy we follow a particular analytical methodology as described below.

Asset Allocation:

Over a period of many decades of analysis, the asset allocation decision has been shown in many studies to be the most important driver of portfolio performance (see for example the seminal study by Brinson, Hood and Beebower from 1986 and periodically updated since). Asset allocation involves a quantification of the return, risk and correlation properties of different asset classes including but not necessarily limited to mean-variance analysis, multi-factor regression models, and stress testing under alternative economic scenarios. This methodology elicits an understanding of which asset classes (a) most likely offer potential growth upside, (b) offer some form of downside protection through lower volatility, and (c) have low correlation properties with other classes so as to vary in different ways during particular periods of the market cycle.

Based on these criteria we will assign each portfolio to a model strategy consistent with the return and risk characteristics of the client in question. Actual weightings for each asset class may vary depending on client-specific considerations, including tax considerations for taxable portfolios, and thus we expect there will be variance between all the portfolios contained in any given model strategy.

On an annual basis we will review the allocation weightings for each model strategy, make adjustments as appropriate and rebalance portfolios in alignment with the new weightings. From time to time we may make additional adjustments in the course of a calendar year to the extent we believe that client circumstances and/or market conditions so warrant.

Security Selection:

MVCMM's investment selection process is undertaken by the Investment Committee at meetings periodically throughout the year. As a matter of practice our goal is to obtain exposure to securities – private money managers, mutual funds, exchange-traded funds, individual equity or fixed income securities and from time to time others – that offer cost-efficient and liquid access to the desired asset class properties within a reasonable range of tracking error.

We evaluate the appropriateness of securities primarily through the prism of the contribution of each asset to other assets in the portfolio; i.e., in terms of the emergent properties that proceed from a complex mix of individual securities. Both relative performance measures (e.g. beta, Treynor ratio, correlation coefficient, information ratio) and absolute performance measures (e.g. Sharpe & Sortino ratios, skewness and kurtosis) help build a fuller picture for determining portfolio inclusion.

We do not believe that past performance is a reliable indicator of future returns and therefore do not place a high value on the return histories of actively-managed pooled

security types like mutual funds or private money managers (particularly relatively brief histories within a 1-5 year time span); however we will invest in such actively-managed vehicles based on other considerations such as investment philosophy and interaction with other assets in the portfolio. Considerations we take into account for selection include a qualitative assessment of factors including manager tenure, demonstrated fidelity to strategy and regulatory record, as well as quantitative variables such as dispersion of absolute and risk-adjusted results around a central tendency in different stages of a full market cycle.

Monitoring, Rebalancing, and Communications:

As described above, we rebalance portfolios on an annual basis consistent with changes made to our strategic asset allocation models. We also periodically review all investments approved for client buy lists on a rolling basis throughout the calendar year. We maintain communications with our clients at minimum on a quarterly basis through commentaries mailed to each client along with his or her quarterly statement.

On certain occasions, portfolio weightings may move significantly out of line with the model as a result of capital market developments. We retain the flexibility to react to these changes and take action if circumstances suggest. However, we do not maintain a strict percentage-of-portfolio threshold for making rebalancing decisions. On the basis of ongoing monitoring and the availability of significant-variance reports we will make a qualitative consideration as to the need to conduct interim systematic rebalancing.

- B. Every method of analysis has its own inherent risks. Furthermore, any market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

Overall Investment Risk. Investing in securities involves risk of loss that clients should be prepared to bear, including the complete loss of principal investment. Past performance may not be indicative of future results. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by MCVN) will be profitable or equal any specific performance level. Investment strategies such as asset allocation, diversification, or rebalancing do not assure or guarantee better performance and cannot eliminate the risk of investment losses. There is no guarantee that a portfolio employing these or any other strategy will outperform a portfolio that does not engage in such strategies. While asset values may increase and client account values could benefit as a result, it is also possible that asset values may decrease and client account values could suffer a loss.

Equity and equity-like securities are subject to specific risks pertaining to individual businesses, to industry sectors, and to the overall market. To a reasonable extent business- and industry-specific risks can be mitigated through exposure limits on concentrations in any individual position or any specific sector. Market risks, which can include exogenous impacts from unexpected events (for example a sudden collapse in the market for securitized loan obligations or the appearance of a global health pandemic) cannot be fully diversified out of a portfolio with long-term growth objectives; however the portion of any portfolio exposed to such exogenous risks can be mitigated through the inclusion of “safe haven” assets including high quality bonds and cash equivalents. This is part of our asset allocation strategy as described above.

We believe the long-term risk properties of individual equity securities relate to the potential for sustainable cash flow generation across full market cycles, which in turn proceeds from the growth prospects, profitability and asset quality of the companies in question. These are important risk considerations in particular with regard to the selection of individual securities.

Fixed income securities mostly perform the role of risk mitigation in the context of our portfolio construction. However, fixed income investments have their own significant risk properties including interest rate risk (the longer the effective duration of a credit instrument, the more variance can be expected in response to changes in market levels of interest), credit risk (spreads between different types of bonds and low-risk benchmarks like Treasuries), call risk, refinancing risk etc. In addition, fixed income securities are subject to the same sources of exogenous events that impact equity and other markets as described above. While such risks cannot be completely diversified away we seek to mitigate the effects through maintenance of diverse exposures in terms of both security type (e.g. government, corporate, asset-backed) and duration.

We are not short-term traders. Generally speaking we believe the cost of executing multiple transactions in a very short-time period outweighs the potential benefits. We are also not passive buy-and-hold investors. We aim to position the portfolios under our management towards long-term client financial objectives within defined risk considerations through a mix of asset allocation, investment selection and ongoing review and rebalancing.

- C. Currently, MVCMM primarily invests client assets among various mutual funds, ETFs, individual equity (stocks) and fixed income securities on a discretionary or non-discretionary basis in accordance with the client's investment objectives. Each type of investment will have inherent risks that may result in loss. Mutual funds may be heavily weighted to a certain basket of securities that underperform their peers in the same asset class. ETFs can have intra-day price movement during volatile periods that may not match the underlying holdings. The value of fixed income securities will fluctuate with changes in interest rates and may trade at a discount if not held to maturity. MVCMM's selection process of the assets used in a client portfolio along with use of asset allocation help to mitigate these risks.

As disclosed above, MVCMM may invest or recommend that the client invest using unaffiliated independent investment managers in accordance with the client's designated investment objectives. In these situations, the Independent Manager has the day-to-day responsibility for the active discretionary management of the client's assets. MVCMM will continue monitor and review the client's account performance, asset allocation and investment objectives. Factors that MVCMM considers in recommending Independent Managers include the client's designated investment objectives, and the manager's management style, performance, reputation, financial strength, reporting capabilities, pricing structure, and published research. (See Item 4.B).

Item 9 Disciplinary Information

Neither MVCMM nor any of its management persons have been the subject of any disciplinary actions.

Item 10 Other Financial Industry Activities and Affiliations

- A. Neither MVCMM, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither MVCMM, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. **Affiliated Insurance Firm / Licensed Insurance Agents.** MV Financial Group, Inc. (“MVFG”) is an affiliated insurance agency, that is licensed in various states to sell life and health insurance. Certain of MVCMM’s representatives, in their individual capacities, are licensed insurance agents, working through MVFG, and may recommend the purchase of certain insurance-related products on a commission basis.

The recommendation by MVCMM’s representatives that a client purchase an insurance commission product presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend insurance products based on commissions received, rather than on a particular client’s need. No client is under any obligation to purchase any commission products from MVCMM’s representatives. Clients are reminded that they may purchase insurance products recommended by MVCMM through other, non-affiliated insurance agents.

MVCMM’s Chief Compliance Officer, Mark Underwood, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.

- D. MVCMM does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

- A. MVCMM maintains an investment policy relative to personal securities transactions. This investment policy is part of MVCMM’s overall Code of Ethics, which serves to establish a standard of business conduct for all of MVCMM’s Representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, MVCMM also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by MVCMM or any person associated with MVCMM.

- B. Neither MVCMM nor any related person of MVCMM recommends, buys, or sells for client accounts, securities in which MVCMM or any related person of MVCMM has a material

financial interest.

- C. MVCAM and/or representatives of MVCAM may buy or sell securities that are also recommended to clients. This practice may create a situation where MVCAM and/or representatives of MVCAM are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a conflict of interest. Practices such as “scalping” (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if MVCAM did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, “front-running” (i.e., personal trades executed prior to those of MVCAM’s clients) and other potentially abusive practices.

MVCAM has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of MVCAM’s “Access Persons.” MVCAM’s securities transaction policy requires that an Access Person of MVCAM must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person’s current securities holdings at least once each twelve (12) month period thereafter on a date MVCAM selects.

- D. MVCAM and/or representatives of MVCAM may buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where MVCAM and/or representatives of MVCAM are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a conflict of interest. As indicated above in Item 11.C, MVCAM has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of MVCAM’s Access Persons.

Item 12 Brokerage Practices

- A. In the event that the client requests that MVCAM recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct MVCAM to use a specific broker-dealer/custodian), MVCAM generally recommends that investment management accounts be maintained at Fidelity, Schwab and TD Ameritrade, Inc. Prior to engaging MVCAM to provide investment management services, the client will be required to enter into a formal Investment Advisory Agreement with MVCAM setting forth the terms and conditions under which MVCAM shall manage the client’s assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that MVCAM considers in recommending Fidelity, Schwab and TD Ameritrade (or any other broker-dealer/custodian to clients) include historical relationship with MVCAM, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by MVCAM’s clients shall comply with MVCAM’s duty to seek best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where MVCAM determines, in good faith, that the commission/transaction fee is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range

of broker-dealer services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although MVCVM will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, MVCVM's investment advisory fee. Unless directed otherwise by the client, the custodian of the client's assets is also used as the broker-dealer.

Research and Additional Benefits. MVCVM receives from Fidelity, Schwab and TD Ameritrade (and potentially other broker-dealers, custodians, investment platforms, unaffiliated investment managers, vendors, or fund sponsors) free or discounted support services and products. Certain of these products and services assist MVCVM to better monitor and service client accounts maintained at these institutions. The support services that MVCVM obtains can include investment-related research; pricing information and market data; compliance or practice management-related publications; discounted or free attendance at conferences, educational or social events; or other products used by MVCVM to further its investment management business operations.

Certain of the support services or products received may assist MVCVM in managing and administering client accounts. Others do not directly provide this assistance, but rather assist MVCVM to manage and further develop its business enterprise. The receipt of these support services and products presents conflicts of interest, because MVCVM has the incentive to recommend that clients use the services of the respective broker-dealer/custodian based upon its interest in continuing to receive the above-described support services and products, rather than based on a client's particular need. However, there is no commitment made by MVCVM to Fidelity or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement. MVCVM's clients do not pay more for investment transactions effected or assets maintained at Fidelity, Schwab and TD Ameritrade because of these arrangements. MVCVM does not participate in any Soft-Dollar Arrangement nor receive any compensation and there is no corresponding commitment made by MVCVM to Fidelity, Schwab and TD Ameritrade or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangements.

MVCVM's Chief Compliance Officer, Mark Underwood remains available to address any questions that a client or prospective client may have regarding the above arrangement and the conflicts of interest this arrangement creates.

MVCVM does not receive referrals from broker-dealers.

MVCVM does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements the client will negotiate terms and arrangements for their account with that broker-dealer, and MVCVM will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by MVCVM. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

In the event that the client directs MVCMM to effect securities transactions for the client's accounts through a specific broker-dealer, the client acknowledges that direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through MVCMM.

MVCM's Chief Compliance Officer, Mark Underwood, remains available to address any questions that a client or prospective client may have regarding the above arrangement.

- B. The transactions for each client account generally will be effected independently, unless MVCMM decides to purchase or sell the same securities for several clients at approximately the same time. MVCMM may (but is not obligated to) combine or "bunch" such orders to seek best execution, to negotiate more favorable commission rates or to allocate equitably among MVCMM's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. MVCMM shall not receive any additional compensation or remuneration as a result of such aggregation.

Item 13 Review of Accounts

- A. For those clients to whom MVCMM provides investment services, account reviews are conducted on an ongoing basis by MVCMM's investment advisory representatives. All clients are advised that it remains their responsibility to advise MVCMM of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with MVCMM on an annual basis.
- B. MVCMM **may** conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts.

Item 14 Client Referrals and Other Compensation

- A. As referenced in Item 12.A. above, MVCMM may receive certain benefits from its custodian(s), however, MVCMM does not participate in a "soft-dollar arrangement" with any custodian.
- B. Neither MVCMM nor any related person of MVCMM directly or indirectly compensates any person for client referrals.

Item 15 Custody

MVCM has the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. MVCM may also provide a written periodic report summarizing account activity and performance.

To the extent that MVCM provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by MVCM with the account statements received from the account custodian. The account custodian does not verify the accuracy of MVCM's advisory fee calculation.

Item 16 Investment Discretion

The client can determine to engage MVCM to provide investment advisory services on a discretionary basis. Prior to MVCM assuming discretionary authority over a client's account, the client will be required to execute an Investment Advisory Agreement, naming MVCM as the client's attorney and agent in fact to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage MVCM on a discretionary basis may, at any time, impose restrictions, in writing, on MVCM's discretionary authority. (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase certain securities, etc.).

Item 17 Voting Client Securities

- A. MVCM does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.

MVCM will not be responsible and each client has the right and responsibility to take any actions with respect to any legal proceedings, including without limitation, bankruptcies and shareholder litigation, and the right to initiate or pursue any legal proceedings, including without limitation, shareholder litigation, including with respect to transactions, securities or other investments held in the client's account or the issuers thereof. MVCM is not obligated to render any advice or take any action on a client's behalf with respect to securities or other property held in the client's account, or the issuers thereof, which become the subject of any legal proceedings, including without limitation, bankruptcies and shareholder litigation, to which any securities or other investments held or previously held in the account, or the issuers thereof, become subject.

- B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact MVCM to discuss any questions they may have with a particular solicitation.

Item 18 Financial Information

- A. MVCMM does not solicit fees of more than \$1,200, per client, six months or more in advance.
- B. MVCMM is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. MVCMM has not been the subject of a bankruptcy petition.

ANY QUESTIONS: MVCMM's Chief Compliance Officer, Mark Underwood, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.

MV CAPITAL MANAGEMENT, INC.

PRIVACY NOTICE

MV Capital Management, Inc. (“MVCM”) maintains physical, electronic, and procedural safeguards that comply with federal standards to protect its clients’ nonpublic personal information (“information”). Through this policy and its underlying procedures, MVCM attempts to secure the confidentiality of customer records and information and protect against anticipated threats or hazards to the security or integrity of customer records and information.

It is the policy of MVCM to restrict access to and/or the sharing of all current and former clients’ information (i.e., information and records pertaining to personal background [including social security number and address], investment objectives, financial situation, financial planning issues, tax information/returns, investment holdings, account numbers, account balances, etc.) to those employees and affiliated/nonaffiliated entities who need to know that information in furtherance of the client’s engagement of MVCM.

MVCM shall disclose, as necessary, the client’s information: (1) to service providers in order establish and maintain the client’s accounts and process transactions (i.e., broker-dealer, account custodian, record keeper, proxy management service provider, insurance company, etc.); (2) required to do so by judicial or regulatory process; or (3) otherwise permitted to do so in accordance with applicable federal and/or state privacy regulations.

However, MVCM does not, and shall not, disclose or share information with any affiliated or unaffiliated persons, entities or service providers for marketing or any other purposes or reasons not referenced above.

Should you have any questions regarding the above, please contact Mark E. Underwood, Chief Compliance Officer.



CAPITAL
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